



U. S. SMALL BUSINESS ADMINISTRATION  
RECEIVER FOR AVALON EQUITY FUND, L.P.  
409 THIRD STREET, S.W., 6<sup>TH</sup> FLOOR  
WASHINGTON, D.C. 20416

WRITER'S DIRECT TELEPHONE: (202) 205-7514

FAX NUMBER: (202) 205-6957

August 28, 2008

Ms. Mary Lou Michels Moran, Clerk of the Court  
U.S. District Court, District of Guam  
520 West Soledad Avenue, Fourth Floor  
Hagatna, GU 96910

VIA UPS 2<sup>ND</sup> DAY DELIVERY

Re: United States of American v. Avalon Equity Fund, L.P.  
Civil Case No. 08-CIV-7287 Judge Leisure

Dear Ms. Moran:

This is to advise you that, in accordance with 15 U.S.C. § 687c, the U.S. District Court for the Southern District of New York, has taken exclusive jurisdiction of Avalon Equity Fund, L.P. ("Avalon") and the assets thereof, and has appointed the U.S. Small Business Administration ("SBA"), an agency of the federal government, as the Receiver.

A portion of the property of Avalon may be located in your jurisdiction. We therefore are enclosing for filing, copies of the Complaint and Order establishing the Receivership, as required by 28 U.S.C. § 754. Please open as a miscellaneous case filing.

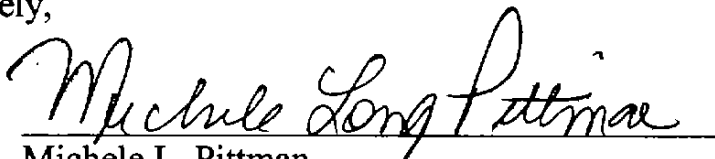
The United States District Court, in an order appointing SBA Receiver for Avalon, stayed all legal proceedings involving Avalon, and prohibited the filing of any actions against the Receiver unless permission of the Court is first obtained.

The Receiver is in the process of ascertaining what and where legal proceedings pertaining to Avalon are pending. Should the Receiver learn of relevant legal proceedings within the jurisdiction of your Court, the Receiver will promptly notify you thereof.

We also have enclosed extra copies of the Order and Complaint, which we request that you stamp file and return in the enclosed self-addressed stamped envelope.

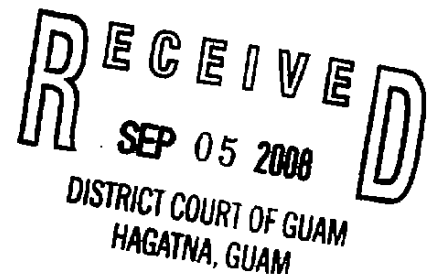
Sincerely,

By:



Michele L. Pittman

Chief, Corporate Liquidation and Receivership Operations  
Office of Liquidation



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